

Message Text

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TO AMEMBASSY JIDDA IMMEDIATE

CONFIDENTIAL STATE 064014

E.O. 11652: GDS

TAGS: ETRD, ETEL, US, SA

SUBJECT: ARAB BOYCOTT AND RCA

REF: STATE 55308

1. RCA GLOBECOM (RCAGC) REPRESENTATIVES CALLED AT DEPARTMENT TODAY WITH DRAFT LETTER TO MOHAMMED OMAR TAWFIK, MINISTER OF COMMUNICATIONS FOR POSTAL, TELEGRAPH AND TELEPHONE AFFAIRS. LETTER REFERS TO SAUDI PLANS TO ACTIVATE INTELSAT STANDARD EARTH STATION NEXT MONTH WHICH WILL HAVE CAPABILITY OF OPERATING DIRECTLY WITH THE U.S. VIA ATLANTIC OCEAN SATELLITE, AND REQUESTS SAUDI ARABIAN CONSIDERATION OF A DIRECT SATELLITE OPERATION TO US USING RCAGC CIRCUITS. RCAGC SEEKS DEPARTMENT'S ADVICE REGARDING SUITABILITY OF SENDING LETTER AT THIS TIME. COMPANY IS AWARE THAT REFTEL CONTAINED DESCRIPTION OF CONVERSATION OVERHEARD IN AMMAN AND THAT EMBASSY HAD BEEN REQUESTED TO CHECK QUIETLY WITH SAUDI TELECOMMUNICATIONS OFFICIALS TO ASCERTAIN WHETHER SAUDI BOYCOTT POLICY REGARDING TELECOMMUNICATIONS IS UNDER REVIEW. RCAGC WOULD BE RELUCTANT TO SEND LETTER IF IT WOULD ADVERSELY AFFECT SUCH A REVIEW. AT THE SAME TIME, COMPANY FINDS IT

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IMPORTANT, FOR LEGAL AND POLITICAL REASONS RELATED TO ITT

APPLICATIONS PENDING BEFORE FCC, TO GET ON THE RECORD A REQUEST TO SAUDI ARABIA FOR DIRECT TELECOMMUNICATIONS RELATIONSHIP. LAST RCAGC CONTACT WITH SAUDI OFFICIALS REGARDING ATTITUDE TOWARD DIRECT RELATIONSHIP WAS AT TELECOMMUNICATIONS MEETING IN ATHENS LAST FALL. AT THAT TIME SAUDI OFFICIAL INDICATED POLICY WAS UNCHANGED.

2. DEPARTMENT DOES NOT INTEND TO ADVISE RCAGC WHETHER OR NOT TO SEND LETTER BUT WOULD LIKE TO PASS ON EMBASSY ASSESSMENT OF LIKELY SAUDI REACTION. EMBASSY ACCORDINGLY REQUESTED TO ADVISE DEPARTMENT OF ITS VIEWS. MOST IMPORTANT ELEMENT FOR DEPARTMENT (FOR REASONS DESCRIBED PARA. 3 BELOW) AND RCAGC IS POSSIBLE SAUDI REVIEW OF BOYCOTT POLICY MENTIONED REFTEL. DEPARTMENT WOULD THEREFORE APPRECIATE EARLY RESPONSE TO QUESTIONS RAISED REFTEL. AFTER TODAY'S MEETING RCAGC WASHINGTON REPRESENTATIVE CALLED TO SAY NY OFFICE HAD DECIDED LETTER WILL BE SENT TO SAUDIS BY ME OFFICE ON MONDAY 22 MARCH UNLESS CONSIDERATIONS REPORTED BY DEPARTMENT CAUSE RCAGC TO COUNTERMAND ITS PRESENT DELIVERY ORDER TO ITS MIDDLE EAST REPRESENTATIVE. REALIZE THIS IS VERY SHORT NOTICE, BUT WE NEED ANY INFORMATION AVAILABLE AND EMBASSY VIEWS BY COB THURSDAY.

3. FYI. IN NEXT 1-2 MONTHS THIS BOYCOTT QUESTION COULD BECOME ANOTHER PUBLIC AND VERY TROUBLESOME ONE FOR U.S.-SAUDI RELATIONS. DEPARTMENT IS NOW REVIEWING ITS POLICY ON BOYCOTT AND TELECOMMUNICATIONS QUESTIONS. IF FCC, WITH OUR CONSENT, GRANTS ITT LICENSE TO SERVE SAUDI ARABIA WHILE SAG EXCLUDES RCAGC ON BOYCOTT GROUNDS, WE ANTICIPATE STRONGLY NEGATIVE REACTION BY RCA, POSSIBLE COURT CASE, AND ATTENDANT PUBLIC AND CONGRESSIONAL INTEREST. IF ITT IS REFUSED A LICENSE, A LEGAL ACTION COULD BE BROUGHT BY ITT. EVEN ADMINISTRATIVE APPEALS TO FCC COULD BECOME MATTER OF PUBLIC INFORMATION AND DEBATE. IN EITHER EVENT, CORPS OF ENGINEERS REQUIREMENTS FOR TELECOMMUNICATION SERVICE TO SAUDI ARABIA WILL BE SUBSTANTIAL, AND COE WILL OPEN BIDS NEXT MONTH TO U.S. COMPANIES FOR PROVISION OF THAT SERVICE. COE BIDDING WILL BE ACCORDING TO STANDARD CONFIDENTIAL

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PROCUREMENT REGULATIONS, AND RCAGC INTENDS TO BID. REGARDLESS OF FCC DECISION ON COMMERCIAL CIRCUITS, USG IN ITS SAUDI PROGRAMS CANNOT CONDONE OR SUPPORT BOYCOTT AND IF SAUDIS REFUSE TO DEAL WITH RCAGC ON COE COMMUNICATIONS, WE CLEARLY FACE DIFFICULT PROBLEM WITH POTENTIAL FOR ADVERSELY AFFECTING U.S.-SAUDI RELATIONS. OBVIOUSLY WE PREFER TO SEEK MEANS TO AVOID WHOLE ISSUE, IF POSSIBLE, BY OBTAINING AGREEMENT TO EXEMPT RCAGC FROM BOYCOTT, OR

PREFERABLY, TO EXEMPT TELECOMMUNICATIONS IN GENERAL
FROM APPLICATION OF BOYCOTT. APPRECIATE EMBASSY VIEWS
ON HOW APPROACHES BY RCAGC AND/OR USG MIGHT BEST ACHIEVE
DESIRED RESULT -- END OF BOYCOTT AGAINST RCAGC AND
AVOIDANCE OF FURTHER STRAINS ON U.S.-SAUDI RELATIONS
AS RESULT OF BOYCOTT. END FYI. KISSINGER

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